

MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

MAY 22, 2006

The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

John Morgan, Comptroller of the Treasury
Dale Sims, State Treasurer
Riley Darnell, Secretary of State

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

Dave Goetz, Commissioner, Department of Finance and Administration

OTHERS PRESENT

Mike Fitts, State Architect
Georgia Martin, Department of Finance and Administration
Charles Garrett, Department of Finance and Administration
Jurgen Bailey, Department of Finance and Administration
Charles Harrison, Comptroller's Office
Janie Porter, Attorney General's Office
Genie Whitesell, Attorney General's Office
Mark Wood, Secretary of State's Office
Jerry Preston, Tennessee Board of Regents
Bob King, Department of Finance and Administration
Pat Haas, Bond Finance
Dennis Raffield, THEC
John Gregory, Tennessee Wildlife Resources Agency
Diane Uhler, Tennessee Board of Regents
David Gregory, Tennessee Board of Regents
Jim Fyke, Department of Environment and Conservation
Karen Hale, Comptroller's Office

Don Nicholson, Department of Safety
Mike Boshers, Department of Safety
Chris Roberts, TN Stream Mitigation Program
Shain Dennison, Metro Parks
Ruse Tucker, Department of Environment and Conservation
Mike Baumstark, Department of Environment and Conservation
John Gregory, TWRA
Reggie Reeves, Department of Environment and Conservation
Lou Bervoets, Department of Agriculture
Dodd Galbreath, Department of Agriculture
George Brummett, Department of Finance and Administration
Beverly Woodard, Department of Finance and Administration

Comptroller Morgan called the meeting to order at 10:42 a.m. and requested action on the following matters as presented by State Architect Mike Fitts.

* * * * *

TENNESSEE BOARD OF REGENTS

UNIVERSITY OF MEMPHIS, MEMPHIS, TENNESSEE

- 1) Approved a request for a revision in the source of funding on a project for **Information Sciences Building** at the University of Memphis in Memphis, Tennessee.

Estimated Project Cost:	\$25,000,000.00
<i>SBC Project No.</i>	<i>166/007-05-1998</i>

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DEPARTMENT OF SAFETY

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Greene County – 900 block of Hal Henard Road, Greenville, TN – Transaction No. 05-06-915 (JS)

Purpose: To provide office space for Drivers License Issuance & THP

Term: January 1, 2007 thru December 31, 2016 (10 years)

Proposed Amount:	<u>4,500 Square Feet</u>		
	Annual Contract Rent:	\$45,000.00	@\$10.00/sf
	Est. Annual Utility Cost:	\$ 6,300.00	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 4,950.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$56,250.00	@\$12.50/sf

Current Amount: Modular Unit \$ 1.00 per year

Type: New Lease – Negotiated

FRF Rate: \$12.50 per square foot

Purchase Option: Yes – after the 1st year

Lessor: Greene County

Comment: The proposed lease provides (1) Lessor shall build a new building of 4,500 square feet and make improvements at no additional cost to the State, and (2) proposed lease has no cancellation during the lease.

SSC Report: 05-15-06. Bob King summarized the transaction. Staff referred to Subcommittee with recommendation.

SC Action: 05-22-06. Charles Garrett presented the transaction and stated that this would be a 10-year, no cancellation, lease with the County. Subcommittee approved the transaction as presented.

DEPARTMENT OF MILITARY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and ONE (1) APPRAISAL as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Dyer County – 8.0 +/- acres – improved with an armory facility located in Newbern, TN – Trans. No. 06-04-012 (LW)</u>
Purpose:	Disposal in Fee of the property is no longer needed by the TN Army National Guard due to changes to force structure and it will therefore be used to house the City's Fire & Police Departments
Original Cost to State:	Gift
Date of Original Conveyance:	September 11, 1972
Grantor Unto State:	City of Newbern
Estimated Sale Price:	Gift
Grantee:	City of Newbern
Comment:	City of Newbern donated the land and participated in constructing the improvements
SSC Report:	05-15-06. Jurgan Bailey summarized the transaction. Pat Haas asked about the bond that was approved for the HVAC system. Staff referred to Subcommittee with recommendations subject that the bond debt issues are cleared.
SC Action:	05-22-06. Charles Garrett stated that this request was being deferred.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Hamilton County – 541 +/- acres – Cumberland Trail State Park – Trans. No. 04-03-008 (GM)

Purpose: Acquisition in Fee of property for the Cumberland Trail State Park

Source of Funding: State Land Acquisition Funds
Federal Funds

Estimated Cost: Gift

Owner(s): Bowater, Inc. and Lahiere – Hill, Mineral Rights Owners

Comment: Items was previously approved as an acquisition in fee of 1,400 acres for Fair Market Value. The parties have now agreed that this will be a donation of 541 acres (subject to outstanding mineral right to be acquired by State) and that the grantor will retain the right to re-enter and retake the property for reasons related to continued use for public recreation and signage.

SSC Report: 05-15-06. Jurgen Bailey summarized the transaction. Reggie Reeves presented the transaction. Mr. Reeves stated that the mineral rights will be retained by the State if the property should ever revert. Plans are also in the future for a Visitor Center area which has been approved by all responsible partners. Staff referred to Sub-Committee with recommendation.

SC Action: 05-22-06. Charles Garrett presented the transaction. Secretary Darnell stated that he understood the mineral rights were in ownership of another party and the State proposed to buy them. Reggie Reeves responded that the land was being gifted and they will offer appraised value of the mineral rights. Treasurer Sims asked whether or not this would need to come back to the Subcommittee if the purchase could be made at fair market value, and was told it would not. Charles Harrison commented that the State would end up with mineral rights, and, if the land should revert, the State would retain the mineral rights. Comptroller Morgan stated that, as long as the land was used for public recreation, it would not revert. After further discussion, the request was approved as presented without objection.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

DISCUSSION LAND ITEM:

Requesting approval to allow Bowater, Inc. to acquire an appraisal from American Forestry Management to complete an in-depth market study and determine a per acre value on 13,147 acres for the State to acquire those properties located in multiple counties. In addition, waiver of one appraisal is requested.

The State of Tennessee and Bowater, Inc. are partnering in a unique opportunity to conserve 13,147 acres of owned and leased lands. Bowater, Inc. will sell many of its real property holdings at auction in the near future. State officials are working with Bowater to delay critical tracts in order to acquire them in the near future. A \$20,000,000 bond will be submitted to the legislature by the Governor to acquire these tracts. The 13,000+ acre tracts include the following areas:

1. Remaining Bowater Lands on the Cumberland Trail route.(4,535 acres)
2. North Chickamauga area tracts.
3. Graysville area tracts.
4. Laurel Snow Gulf.
5. Catoosa tract.
6. Bledsoe State Forest northern access.
7. Virgin Falls Pocket Wilderness. (806 acres)
8. Fall Creek Falls/Bridgestone Firestone connector. (7,806 acres includes remainder properties).

All of the lands offered by Bowater are either adjacent to existing publicly owned lands or needed for the Cumberland Trail corridor. Bowater owns 10,861 acres in fee and leases 2,286 acres which will also be made available for transfer. Real Property Administration will complete an in-house research of recent acquisitions of large tracts such as Pogue Creek, located within the subject counties to quantify the veracity of the determined acreage value. If it is determined that a consultant is needed to rectify value then one will be hired. The final determined value will be brought back to sub committee for final approval.

SSC Report: 05-15-06. Jurgan Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.

SC Action: 05-22-06. Charles Garrett presented the transaction. He stated he would like to take the appraisal and work in-house to determine the value of the different tracts. He added that if, at some point during the evaluations they were not comfortable, they would bring it back to the Subcommittee. Commissioner Fyke stated that these 13,000 acres were very special and were a high priority for them. He said the owners were making them available to the State, subject to an agreed upon appraised price. Secretary Darnell asked about the leased land and how important they were. Commissioner Fyke responded that some of the most prized possessions are leased, and that they are very long term leases and need to be made part of the negotiation. Secretary Darnell stated that they ought to be able to purchase the underlying land. Commissioner Fyke stated they had not talked with anyone, and were waiting until they could come before the Subcommittee. After discussion, the request was approved as presented.

DEPARTMENT OF AGRICULTURE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Davidson County - 40 +/- acres of land - Seven Mile Creek & Edmondson Pike, Nashville, TN - Trans. No. 05-08-008 (RJ)</u>
Purpose:	Disposal by Easement to provide a paved walking path for Seven Mile Creek Greenway.
Estimated Sale Price:	Grant for Public Purpose
Grantee:	Metro-Nashville Government of Nashville / Davidson County
Comment:	Smaller easement was approved by SSC on Oct. 17, 2005.
SSC Report:	05-15-06. Jorgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.
SC Action:	05-22-06. Subcommittee approved the transaction as presented.

DEPARTMENT OF AGRICULTURE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Davidson County – 40 +/- acres – Seven Mile Creek & Edmondson Pike, Nashville, TN – Trans. No. 06-04-010 (RJ)</u>
Purpose:	Disposal by Easement for Seven Mile Creek & Floodplain Basins Enhancement Project requires an easement from the west side of this stream extending to the edge of Edmondson Pike. Primary focus is to stabilize channel banks, enhance in stream habitat, enhance the riparian zone and create floodplain basins to retain and filter flood flows and storm water from adjacent properties.
Estimated Sale Price:	Gift
Grantee:	Tennessee Wildlife Resources Foundation
Comment:	Seven Mile Creek extends approx. 4,000 feet across Ellington Agricultural Center property
SSC Report:	05-15-06. Jorgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.
SC Action:	05-22-06. Subcommittee approved the transaction as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Montgomery County – 3 +/- acres – Haynes Bottom WMA, Clarksville/ Dotsonville, TN – Trans. No. 06-04-002 (RJ)</u>
Purpose:	Disposal by Lease to the Montgomery County Volunteer Fire Department to construct a fire station and for a fifty (50) year lease with the option to renew for an additional fifty (50) year term. Approval to grant easements for utilities necessary for the building construction.
Term:	Fifty (50) years with option to renew for fifty (50) years.
Consideration:	Grant for public purpose
Lessee:	Montgomery County
Comment:	All expenses paid by the county
SSC Report:	05-15-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee with recommendation.
SC Action:	05-22-06. Subcommittee approved the transaction as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Lauderdale County – 691 +/- acres – equal value exchange with Lunsford Farms, Inc., Ripley, TN – Trans. No. 06-04-003 (RJ)</u>
Purpose:	Acquisition in Fee to execute equal value exchange of one (1) tract of land in the Cold Creek area.
Source of Funding:	Tennessee Wildlife Resources Agency – Wetlands Funds
Estimated Cost:	Fair Market Value
Owner(s):	Lunsford Farms, Inc.
SSC Report:	05-15-06. Jurgen Bailey summarized the transaction. John Gregory presented the purpose of this transaction to develop a waterfowl area. Staff referred to Sub-Committee with recommendation.
SC Action:	05-22-06. Subcommittee approved the transaction as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Gibson County – 30 +/- acres – Davy Crockett Lake, Humboldt, TN – Trans. No. 06-04-004 (RJ)</u>
Purpose:	Acquisition in Fee to construction, development and operation of a fish hatchery at Davy Crockett Lake.
Source of Funding:	Tennessee Wildlife Resources Agency – Fishery Management Funds
Estimated Cost:	Fair Market Value
Owner(s):	Bettye Anne Cox
SSC Report:	05-15-06. Jurgen Bailey summarized the transaction. John Gregory stated that this site is for a Fish Hatchery Development. Currently there is no capital project approved but is expected in Fiscal Year 2007. Staff referred to Sub-Committee with recommendation.
SC Action:	05-22-06. Subcommittee approved the transaction as presented.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by FEE of interest in real property with WAIVER of ADVERTISEMENT with RIGHT- of-ENTRY as required by TCA 4-15-102 and 12-2-112:

Description: Smith County – 150' access control fence opening at Bypass State Route 25 and relocated Upper Ferry road, Carthage, TN – Trans. No. 06-02-005 (LW)

Purpose: Disposal by Fee to allow construction of a new local street which will facilitate access to a new Smith County Jail and Criminal Justice Facility, Wal-Mart Super Center and City Cemetery.

Estimated Sale Price: Fair Market Value

Grantee: City of Carthage

SC Action: 02-21-06. Subcommittee approved the transaction as presented. Final action.

SC Action: 5-22-06. Charles Garrett brought a request up from the floor regarding a letter that was sent to the Executive Subcommittee members by State Representative Frank Buck regarding a disposal of real property that had been approved by the Subcommittee in February, 2006. Representative Buck requested approval to accept an \$88,500.00 appraisal over the approved \$400,000.00 appraisal for a 150-foot limited access opening for a development in Carthage, Tennessee. He indicated that the \$400,000.00 appraisal amount would not be paid and, therefore, would be a loss of a \$300,000.00 benefit to the City of Carthage. Mr. Garrett stated that Commissioner Goetz had recommended a third appraisal, which was due on June 12, 2006. While appraised values for the easement differed, Subcommittee members noted that the easement request was designed to provide access to a site that had uses beyond commercial development, namely potential development of a new Smith County Jail and Criminal Justice Center and providing more appropriate access to the existing City Cemetery. Given the public purposes being served by this request, the Subcommittee concluded that disposal at the lowest appraised value was appropriate. Therefore, the Subcommittee approved accepting the lower amount of \$88,500, subject to Commissioner Goetz's approval of the transaction. Secretary Darnell stated that he wanted to make sure Commissioner Goetz understood their actions and would not be objectionable to them. He said, if absolutely necessary, they could reconsider their action.

STATE BUILDING COMMISSION

MINUTES OF MEETING

- 1) Approved the Minutes of the Executive Subcommittee meeting held on April 24, 2006.

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Following approval of the Consent Agenda, the meeting adjourned at 11:00 a.m.

CONSENT AGENDA

Approved the following real property transactions which had been reviewed and recommended for approval by Sub-Committee staff:

- A. Agency: Tennessee Board of Regents – Montgomery County
Transaction: Acquisition in Fee
- B. Agency: Tennessee Board of Regents – Montgomery County
Transaction: Acquisition in Fee
- C. Agency: Tennessee Board of Regents – Shelby County
Transaction: Disposal by Easement
Provision: Waiver of Advertisement & Appraisal
- D. Agency: Tennessee Board of Regents – Davidson County
Transaction: Disposal by Easement
Provision: Waiver of Advertisement & Appraisal
- E. Agency: Tennessee Board of Regents – Rutherford County
Transaction: Acquisition in Fee
- F. Agency: Tennessee Board of Regents – Washington County
Transaction: Lease Agreement
- G. Agency: Department of Transportation – Scott County
Transaction: Disposal by Fee
- H. Agency: Department of Children’s Services – Smith County
Transaction: Lease Agreement
- I. Agency: Department of Children’s Services –White County
Transaction: Lease Agreement

A.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and DEMOLISH IMPROVEMENTS required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Montgomery County – 0.30 +/- acres – 803 Parham Drive, Austin Peay State University, Clarksville, TN – Trans. No. 05-03-015 (LW)</u>
Purpose:	Acquisition in Fee of property to demolish improvements.
Source of Funding:	Campus Plant Funds
Estimated Cost:	Fair Market Value
Owner(s):	Thomas Sallee
SSC Report:	05-15-06. Jurgan Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	05-22-06. Subcommittee approved the transaction as presented.

B.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, and DEMOLISH IMPROVEMENTS required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Montgomery County – 0.176 +/- acres – 811 Parham Drive, Austin Peay State University, Clarksville, TN – Trans. No. 05-03-016 (LW)</u>
Purpose:	Acquisition in Fee of property to demolish improvements.
Source of Funding:	Campus Plant Funds
Estimated Cost:	Fair Market Value
Owner(s):	Thomas Sallee
SSC Report:	05-15-06. Jurgan Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	05-22-06. Subcommittee approved the transaction as presented.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS and APPROVAL for the RIGHT OF ENTRY as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Shelby County – 1.0 +/- acres – Indian Village Drive, Memphis, TN – Trans. No. 06-04-001 (LW)</u>
Purpose:	Disposal by Easement to provide utility services to the University of Memphis Chucalissa Museum property. Natural gas will provide dependable heat to the museum.
Estimated Sale Price:	Public Benefit
Grantee:	City of Memphis for Memphis Light, Gas and Water Division
Comment:	Approximately ¼ of the easement will be located on TDEC property at Fuller State Park and TDEC is working on obtaining approvals to support the transaction.
SSC Report:	05-15-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	05-22-06. Subcommittee approved the transaction as presented.

D.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS and APPROVAL for the RIGHT OF ENTRY and APPROVAL to the AGREEMENT for TERMINATION of EXISTING EASEMENT as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Davidson County – Nashville State Technical Community College, Nashville, TN – Trans. No. 06-04-005 (LW)</u>
Purpose:	Disposal of Easement of a 20' x 46' permanent sanitary sewer easement & 10' x 46' temporary construction easement and enter into an Agreement for Termination of existing sanitary sewer easement to become effective at the completion of the project. New underground sewer lines will replace and allow for the removal of a sewer pipe bridge over Richland Creek.
Estimated Sale Price:	Grant for public benefit
Grantee:	Metropolitan Government of Nashville & Davidson County
Comment:	Metro will maintain the lines due to several tenants on the sewer lines.
SSC Report:	05-15-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	05-22-06. Subcommittee approved the transaction as presented.

E.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Rutherford County - 0.25 +/- acres – improved with 1,300 +/- sf residence – 1821 Jordan Avenue, Murfreesboro, TN – Trans. No. 06-04-008 (LW)

Purpose: Acquisition in Fee of property located within the MTSU Master Plan land acquisition area and will be rented until needed for campus expansion.

Source of Funding: Campus Plant Funds from Auxiliary Rental Income

Estimated Cost: Fair Market Value

Owner(s): Dawn Boulanger

SSC Report: 05-15-06. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 05-22-06. Subcommittee approved the transaction as presented.

F.

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Washington County – 207 East Myrtle Avenue, Johnson City, TN – Trans. No. 06-04-912

Purpose: To provide office and clinic space for ETSU Nursing program

Term: June 1, 2006 thru May 31, 2009 (3 years)

Proposed Amount:	<u>5,288 Square Feet</u>		
	Annual Contract Rent:	\$64,224.00	@ \$ 12.15/sf
	Est. Annual Utility Cost:	\$ 7,403.20	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 5,816.80</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$77,444.00	@ \$ 14.64/sf

Current Amount: None

Type: New Lease – Advertised – Received only one proposal from one proposer

FRF Rate: \$13.50 per square foot

Purchase Option: No

Lessor: Aviation Investments Ltd. III, LLC

Comment: Proposed lease provides (1) option to renew for an additional two (2) years at a negotiated rate, (2) lease contains a 90-day cancellation clause and (3) Lessee will be responsible for all Pest Control.

SSC Report: 05-15-06. Bob King summarized the transaction. Charles Harrison asks that if BOR renew the two (2) years option it is brought back to the Committee. Staff referred to Sub-Committee for consent agenda.

SC Action: 05-22-06. Subcommittee approved the transaction as presented.

G.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and ONE (1) APPRAISAL as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Scott County – 0.258 +/- acres – Tract No. 8060 uneconomic remnant, Helenwood, TN – Trans. No. 06-04-007 (RJ)</u>
Purpose:	Disposal in Fee of the uneconomic remnant that is surplus to the Department needs. Mr. Musselman wants the property for assemblage.
Original Cost to State:	\$41,000.00
Date of Original Conveyance:	August 24, 1990
Grantor Unto State:	Brenda Bonds
Estimated Sale Price:	Fair Market Value
Grantee:	Herbert Musselman & Paula Bridges adjoining property owners
Comment:	T.D.O.T. ask that the property be bid between Musselman and Bridges
SSC Report:	05-15-06. Jurgan Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	05-22-06. Subcommittee approved the transaction as presented.

H.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Smith County – 110 Eatherly Landing Road, Carthage, TN – Trans. No. 05-10-905 (JS)

Purpose: To provide office space for 27 new staff

Term: March 1, 2007 thru February 28, 2017 (10 years)

Proposed Amount: 7,000 Square Feet

Annual Contract Rent:	\$ 87,504.00	@\$12.50/sf
Est. Annual Utility Cost:	\$ 9,800.00	@\$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 7,700.00</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	\$105,004.00	@\$15.00/sf

Current Amount: None

Type: New Lease – 2nd Advertisement – Received two (2) proposal from two (2) proposers

FRF Rate: \$12.50 per square foot

Purchase Option: No – investment property

Lessor: Paul Gaw Partnership

Comment: The proposed lease provides (1) Lessor shall build a new building of 7,000 square feet and make improvements at no additional cost to the State, and (2) no cancellation during the first five years of the lease term except for cause and/or lack of funding and 180-days notice thereafter.

SSC Report: 05-15-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 05-22-06. Subcommittee approved the transaction as presented.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: White County – 620 Roosevelt Drive, Sparta, TN – Trans. No. 05-10-902 (RS)

Purpose: To provide office space for county operations

Term: April 1, 2007 thru March 31, 2017 (10 years)

Proposed Amount:	<u>7,300 Square Feet</u>		
	Annual Contract Rent:	\$ 75,000.00	@ \$ 10.27/sf
	Est. Annual Utility Cost:	\$ 10,220.00	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 8,030.00</u>	<u>@ \$ 1.10/sf</u>
	Total Annual Effective Cost:	\$ 93,250.00	@ \$ 12.77/sf

Current Amount: None

Type: New Lease – Advertisement – Received five (5) proposals from four (4) proposers

FRF Rate: \$12.50 per square foot

Purchase Option: Yes

Lessor: Steve Copeland & Harold Jackson

Comment: The proposed lease provides (1) Lessor shall build a new building of 7,300 square feet and make improvements at no additional cost to the State, and (2) no cancellation during the first five years of the lease term except for cause and/or lack of funding and 180-days notice thereafter.

SSC Report: 05-15-06. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 05-22-06. Subcommittee approved the transaction as presented.

APPROVED BY:

M.D. Goetz, Jr., Commissioner
Department of Finance and Administration